

E-FILED on 8/3/10

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

ARISTOCRAT TECHNOLOGIES,
AUSTRALIA PTY LIMITED and
ARISTOCRAT TECHNOLOGIES, INC.,

Plaintiffs,

v.

INTERNATIONAL GAME TECHNOLOGY
and IGT,

Defendants.

No. C-06-03717 RMW

ORDER DENYING DEFENDANTS'
MOTION FOR ADDITIONAL
DEPOSITIONS AND GRANTING
DEFENDANTS' MOTION TO TAKE
DEPOSITIONS AFTER THE DISCOVERY
DEADLINE

[Re Docket No. 695]

Defendants International Game Technology and IGT (collectively "IGT") move for four additional depositions and to take depositions after the discovery deadline. For the reasons set forth below, the court denies the motion for additional depositions and grants the motion to take depositions after the discovery deadline.

I. BACKGROUND

Aristocrat Technologies, et al. (collectively "Aristocrat"), the patentee, and IGT are competitors in the market for electronic gaming machines. On June 12, 2006, Aristocrat filed suit

1 alleging infringement of United States Patent No. 7,056,215 ("215 Patent"). When United States
 2 Patent No. 7,108,603 ("603 Patent") issued, Aristocrat added this patent to the suit. On June 13,
 3 2007, the court granted IGT's motion for summary judgment, holding that the patents were invalid.
 4 Aristocrat appealed to the Federal Circuit. On September 22, 2008, the Federal Circuit reversed and
 5 remanded to this court for further proceedings.

6 Aristocrat and IGT have had a longstanding dispute over attorney-client privilege issues.
 7 IGT has sought to depose witnesses on the subject of Aristocrat's abandonment, delay, and revival of
 8 the patent application that led to the asserted patents in this case. In the past, Aristocrat has blocked
 9 this line of questioning by asserting attorney-client privilege. On August 19, 2009, Aristocrat
 10 waived attorney-client privilege with regard to communications relating to the prosecution of the
 11 asserted patents. Now IGT moves for leave to take four additional depositions beyond the ten
 12 depositions permitted by the March 19, 2007 pretrial scheduling order. In addition, IGT moves to
 13 allow it to take depositions after the close of discovery.

14 On November 19, 2009, Aristocrat and IGT stipulated to a stay in this action, including a
 15 stay of discovery, for a period of 90 days to allow for settlement discussions. Dkt. No. 761. The
 16 parties then stipulated to extending the stay until March 31, 2010. Dkt. No. 769. Prior to the stay,
 17 fact discovery was scheduled to end on December 11, 2009. Dkt. No. 570-1. Thus, at the time the
 18 parties entered into the stipulated stay agreement, there remained 22 days before the close of fact
 19 discovery

20 II. ANALYSIS

21 A. Four Additional Depositions

22 IGT requests leave to take four additional depositions beyond the ten depositions
 23 presumptively granted pursuant to the Federal Rules of Civil Procedure. The Advisory Committee
 24 Note to the 1993 Amendment to Federal Rule of Civil Procedure 30 states, "[l]eave to take
 25 additional depositions should be granted when consistent with the principles of Rule 26(b)(2)." As
 26 set forth in Rule 26(b), leave should be granted to take additional depositions unless:

27 (I) the discovery sought is unreasonably cumulative or duplicative, or can be obtained from
 28 some other source that is more convenient, less burdensome, or less expensive; (ii) the party
 seeking discovery had ample opportunity to obtain the information by discovery in the

1 action; or (iii) the burden or expense of the proposed discovery outweighs its likely benefit,
2 considering the needs of the case, the amount in controversy, the parties' resources, the
3 importance of the issues at stake in the action, and the importance of discovery in resolving
4 the issues.

5 *Presidio Components, Inc. v. American Technical Ceramics Corp.*, 2009 WL 861733, at *2
6 (S.D.Cal. 2009).

7 IGT seeks to use these additional four depositions to depose counsel involved in prosecution
8 of the patent application that eventually led to the asserted patents in this case, namely the law firm
9 of F.B. Rice and one of its attorneys, Mr. Christopher Owens, and the law firm of Katten Muchin
10 Rosenman, LLP ("Katten") and one of its attorneys, Mr. Serle Mosoff. IGT argues that it is entitled
11 to explore Aristocrat's role in the abandonment of the patent application that led to the asserted
12 patents as part of its inequitable conduct counterclaim.

13 Aristocrat does not claim that these additional depositions would be unreasonably cumulative
14 or duplicative, or that the information sought can be obtained from a more convenient source. Nor
15 does Aristocrat contend that the burden of additional depositions would outweigh the likely benefit
16 of the depositions. Aristocrat's only argument for why these additional depositions should not be
17 allowed is that IGT had ample opportunity to obtain the information it seeks without four additional
18 depositions. In particular, Aristocrat argues that: (1) IGT raised this issue of needing additional
19 depositions too late in the game, and (2) IGT could have used depositions within its ten deposition
20 limit to depose Aristocrat's patent prosecution counsel.

21 Advisory Committee Note to the 1993 Amendment to Federal Rule of Civil Procedure 30
22 provides that "[c]onsideration should ordinarily be given at the planning meeting of the parties under
23 Rule 26(f) and at the time of a scheduling conference under Rule 16(b) as to enlargements or
24 reductions in the number of depositions, eliminating the need for special motions." IGT argues that
25 it needs additional depositions because Aristocrat engaged more than one law firm in prosecuting its
26 patent application. However, this is not a newly discovered fact. Aristocrat contends that IGT was
27 well aware of the relevance of each of the four witnesses it seeks to depose as early as 2006.
28 Rather than seeking additional depositions at an earlier scheduling conference, IGT waited until
November 6, 2009, roughly one month before the close of discovery, to file a motion seeking

1 additional depositions. Even assuming that IGT had not considered deposing patent prosecution
2 counsel until Aristocrat waived attorney-client privilege (which Aristocrat disputes), IGT has failed
3 to explain why it waited more than two months to file a motion seeking additional depositions.

4 Although the lateness of the privilege waiver does offer some basis for allowing further
5 discovery on inequitable conduct issues, IGT has failed to show good cause as to why it needs more
6 than ten depositions. When Aristocrat waived privilege on August 19, 2009, IGT still had six
7 depositions remaining. Dkt No. 742 ¶ 9. Moreover, due to Aristocrat's recent waiver of privilege,
8 IGT has already been granted the opportunity to retake the deposition of Mr. Shahan Islam, who was
9 a partner at Katten, the law firm that handled the prosecution of the patent application at issue. IGT
10 contends that Mr. Islam is the one who made misrepresentations to the United States Patent and
11 Trademark Office. IGT has also been granted the opportunity to redo its Rule 30(b)(6) deposition of
12 Aristocrat due to the recent privilege waiver. In light of the fact that IGT may redo two depositions
13 and had six more left when the privilege waiver was made, it does not appear that IGT has been
14 greatly prejudiced by the lateness of the privilege waiver. While IGT is correct that it is not at fault
15 for the fact that Aristocrat engaged more than one law firm in prosecuting its patent application, IGT
16 has failed to show the court why it needs more than ten depositions to gather information, including
17 facts regarding Aristocrat's role in the abandonment of the patent application.

18 **B. Taking Depositions after the Discovery Deadline**

19 IGT seeks permission to take depositions after the fact discovery deadline of December 11,
20 2009. To modify a case schedule, the moving party must show "good cause" under Rule 16(b)(4).
21 Under Rule 16(b)'s "good cause" standard, courts primarily consider the diligence of the party
22 seeking the modification. *Johnson v. Mammoth Recreations, Inc.*, 975 F.2d 604, 609 (9th Cir.
23 1992). It is appropriate to modify a case schedule when the schedule "cannot reasonably be met
24 despite the diligence of the party seeking the extension." *Id.* (citing Fed. R. Civ. P. 16 Advisory
25 Committee's Notes).

26 With respect to the deposition of Mr. Larkin, the court finds that IGT has been sufficiently
27 diligent in seeking this deposition. Mr. Robert Larkin is an Australian citizen and the developer of a
28 governmental gaming protocol that is prior art to Aristocrat's asserted patents in this case. On June

1 11, 2009, IGT issued a letter of request under the Hague Convention, seeking authorization for the
2 deposition of Mr. Larkin. Australian authorities authorized this deposition in October 2009.
3 However, Aristocrat's counsel was unavailable between November 6, 2009 and November 30, 2009,
4 and the parties stipulated to a stay of the action that lasted from November 19, 2009 until March 31,
5 2010. Therefore, the court grants IGT's motion to take Mr. Larkin's deposition after the original
6 discovery deadline of December 11, 2009.


7 In addition, to the extent other depositions (within the ten deposition limit) were noticed to
8 take place prior to December 11, 2009 and did not occur due to the stipulated stay that was entered
9 into on November 19, 2009, the parties may also take these depositions after the original discovery
10 deadline of December 11, 2009.

11 Discovery is thus re-opened for these depositions with a new deadline to be agreed upon by
12 the parties or set by the court, if necessary. As for the additional document production that IGT
13 contends should occur due to Aristocrat's privilege waiver, IGT may seek to remedy any such
14 deficiencies by filing a motion to compel with the magistrate judge.

15 III. ORDER

16 For the foregoing reasons, the court denies IGT's motion for additional depositions without
17 prejudice and grants IGT's motion to take certain depositions after the discovery deadline.

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19
20 DATED: 8/3/10



RONALD M. WHYTE
United States District Judge